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February 18, 1998

Mr. James Shafer Remedial Project Manager Northern Division, NAVFACENGCOM 10 Industrial Highway, Mail Stop 82 Lester, PA 19113

Re: Contract No. 2472-90-D1298, Navy (CLEAN)

Dear Mr. Shafer:

I am the corporate attorney for Melville Marine Industries, of Portsmouth, Rhode Island, the landowner of the Melville North Landfill. I am in receipt of the January 21, 1998 letter from Brown & Root to the Rhode Island Department of Environmental Management presenting four possible remediation schemes for the Melville North Landfill. The purpose of this letter is to set forth the landowner's position on the possible cleanup methodologies and to request landowner involvement in any meetings to be held with RIDEM on this issue.

As I am sure you are aware, the Army Corps of Engineers, the RIDEM and the RI Coastal Resources Management Council have issued permits for the land surrounding and comprising the Melville North Landfill to my client authorizing the construction and maintenance of a 1,495 slip marina facility. The permit requires construction to be completed within a specified number of years, of which almost three years have expired with no construction commenced. One of the main reasons for the delay is the presence of the contamination within the Melville North Landfill and the lack of a plan approved by all parties to deal with the problem.

My client is currently in discussions and negotiations, within the parameters set forth in a written agreement, with a developer/investor for the construction of the marina. The developer/investor has recently given notice that he is unwilling to proceed with the project until the contamination issues surrounding the Melville North Landfill are satisfactorily resolved. Understandably, the developer/investor is concerned about the impact of the site on a recreational boating facility in the adjacent waters, wherein members of the public, including children, will be utilizing such waters and the marina facility. Also, the approved marina plan includes construction of marina buildings, which would contain retail and commercial space and possibly a restaurant, and parking areas on the Melville North Landfill site.

For all of the above reasons, the landowner very strongly believes that a remediation plan must include removal of contaminated soils and objects from the site and remediation of the contamination elsewhere. The landowner strongly objects to any natural or induced remediation in situ. The Brown & Root study concludes that both in situ and offsite remediation are possible solutions, so the landowner wants to make its views known to the Navy and the RIDEM. For that reason, since the issue is preventing

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economic development of the site, and imposing significant financial hardship on the landowner, MMI would request that notice of any proposed meetings with RIDEM be sent to it, care of me, and representatives of the landowner would attend any such meetings.

Thank you in advance for your cooperation on this matter. MMI is pleased that the Navy has authorized Brown & Root to move forward expeditiously with developing a remediation plan acceptable to all.

Very truly yours,

Steven M. McInnis

cc: James R. Foreilli, P.E., Brown & Root K. Coyle, NETC-Newport Richard Hood, MMI Everett A. Pearson, MMI Paul Kulpa, RIDEM